Works Department were increased by the amounts of scarcity allowance till then drawn by them. The compilation of manuals, the prescription of departmental tests, the promulgation of rules relating to various important matters of administration, the more careful inspection of offices, and the more detailed scrutiny of periodical returns, are some of the means by which greater efficiency has been sought to be secured. A committee of officials and non-officials is being appointed to go into the present working of the Government Press and to suggest improvements therein, and Government are contemplating the creation of another competent committee to examine the condition of the P. W. D. Workshops.

46. **Finance.**—A perusal of Chapter II of the Administration Report for 1097 will enable you to see that the transactions of the year resulted in a deficit of Rs. 48,104. This deficit is smaller than that of 1096 and it is a matter for gratification that Travancore has been able to emerge with such small deficits out of a period of universal economic crisis of an unprecedented magnitude, in which almost every country in the world, including the various component parts of the Indian Empire, has had to budget for huge deficits. So far as retrenchment is concerned, I may point out that the State has, of late, been steadily extending its nation-building activities, and it would not be wise to circumscribe them now. Retrenchment at any price is not a sound financial policy and there is a limit beyond which it may well cease to be economical and may lead to undesirable results. Much work lies ahead for the State, in education, public works, medical relief, sanitation, agriculture, industries, and other spheres of moral and material development, and the aggregate expenditure of the State can only grow from year to year. The actual collections under the head of income-tax during 1097, the first year of the working of the Income-tax Regulation, amounted to Rs. 4,17,983, which is about Rs. 18,000 more than the estimated amount. The incidence of this tax per head of population was 3 chs. 5 cash, which is lower than the figure in Madras or Mysore. Arrangements could not be completed for assessing *quasi*-agricultural incomes during the last year, but they are in fair progress now and it is expected that they will increase to some extent the income-tax revenue of this year. It has, on the other hand, to be remembered that the abkari revenue of the State shows signs of steady decline, and that wind-falls are not a common feature of the finances of a non-industrial State like Travancore. That the only two ways of balancing a budget are increasing the revenues and retrenching the expenditure is a mere axiom. The only way by which Government can avoid the imposition of additional burdens on the general tax-payer to balance the budget is to make every possible effort to develop the normal sources of the State's revenue and to secure some financial relief by calling on local bodies to contribute a fair share of expenditure on local activities in the spheres of education, sanitation and public works. It is hoped that the fairness of this policy, which has already been enunciated in the Municipal Regulation and is being re-enunciated in the Village Panchayat Bill, will be more and more recognised and acquiesced in as days advance. The State Life Insurance Scheme was for the first time subjected to an actuarial valuation and the work was entrusted to Mr. M. R. Thambe of Bombay. His report shows that, although the lines on which the system was worked in the past call for improvement, the scheme itself has not resulted in any financial loss to Government. The benefits of the scheme which were confined to Government servants have recently been extended to municipal employés.

47. **Local Self-Government.**—The working of the Municipal Regulation, V of 1095, is in varying stages of progress in the several Municipalities of the State. While many Municipal Councils have courageously come forward to shoulder the new responsibilities which this legislative measure has thrown upon them, a few are fighting shy of taxation, and trying, if possible, to retrace some of the steps already travelled by them in that direction. The results achieved so far are, on the whole, not discouraging, and it is to be hoped that, in the near future, both the rate-payers and the non-official members who represent them on the several Municipal Councils will evince a progressive sense of readiness to bear civic responsibility and undergo some pecuniary sacrifice for its due discharge. The total

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municipal grant from the State was reduced from Rs. 43,020 in 1096 to Rs 29,250 in 1097, and to Rs. 28,650 in 1098, the Councils being thereby required to depend upon their own resources to a greater extent than before, for which the new Regulation affords ample possibilities. The income of every Council is susceptible of steady improvement, especially under non-tax heads, but Government have so far received only two proposals for the development of such income. Sanction has already been accorded to a sum of Rs. 10,000 being lent to the Quilon Municipal Council for purchasing the Chinnakkadai market, while the grant of a loan of about Rs. 33,000 to the Shencottah Municipal Council for the reclamation of the Perumalkulam tank and the wet *ayakut* thereunder and their conversion into building sites is under the consideration of Government. Arrangements are in progress for handing over the minor roads within the municipal limits of the towns of Nagercoil and Alleppey to the control of the respective Municipalities, on the understanding that 50 per cent. of the cost of their maintenance would be borne by the Government for a period of five years from 1099. The Government would be glad to hand over the minor roads within the limits of the remaining municipal towns also to the respective Councils in the event of their being prepared to accept them on similar conditions. The powers of Municipal Presidents in the matter of appointment, etc., of municipal subordinates, have been substantially increased. The short period during which the Municipal Regulation, V of 1095, has been in force has revealed a number of defects in its working which require removal, and the Additional Head Sirkar Vakil has withheld a Bill to introduce a few minor changes in that Regulation, with a view to place before the Legislative Council a Bill embodying a more comprehensive revision of the same. Regulation VI of 1097, sanctioning the formation of Benches of Honorary Magistrates, has been brought into force with effect from the 1st Dhanu, 1098, and four First Class Benches within the municipal towns of Nagercoil, Trivandrum, Quilon and Alleppey, and four Second Class Benches within those of Kayankulam, Tiruvalla, Changanachery and Kottayam, respectively, have been established. These Honorary Magistrates' Courts have been opened primarily with a view to give non-official gentlemen a further share in the administration of justice. Incidentally they will also afford relief to some stipendiary Magistrates. With a view to install and foster local self-government in rural areas, a Bill for the formation of Village Panchayats will be introduced at the next meeting of the Legislative Council. This Bill, as you are aware, has already been published in the Gazette. Under it a Village Panchayat will consist of not more than eleven and not less than five members, of whom not less than two-thirds will be elected. Several obligatory and discretionary duties are proposed to be vested in these bodies, among the former of which may be mentioned the opening and maintenance of communications, the conservancy of streets, the supply of drinking water, the control of cattle pounds and the enforcement of sanitation and vaccination, and among the latter, primary education, street lighting, the planting of avenue trees, the improvement of agriculture and the promotion of cottage industries. It is also proposed to invest these Panchayats with certain elementary civil and criminal powers.

48. **Legislative Council.**—The new Legislative Council, constituted under Regulation II of 1097, has already held two meetings, and its third meeting comes off on the 10th April, 1923. The total number of electors on the register was 96,316, forming about 2·5 per cent. of the total population of the State. A large number of the electors polled in every constituency, as will be seen from the fact that the percentage was as high as 85 in Chengannur *cum* Pattanamtitta, while even in the hilly and backward constituency of Peermade *cum* Devicolam it did not fall below 40·9. This is a fitting tribute to the high literacy and advanced political consciousness of the people of Travancore, especially when we remember that the highest percentage of voters who participated in the elections in British India under the Reform Act was only 70—in some of the urban constituencies of the Madras Presidency—while the average proportions of voting for the Provincial Councils only ranged between 20 and 30 per cent., and in Burma, the only Province in India with about the same level of literacy as Travancore, the proportion was even less than 10 per cent., as against 64·4 here. The State budget for 1098 M. E. was discussed at the first meeting of the Council and voted upon,

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